

Weekly Compilation of  
**Presidential  
Documents**



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## Contents

### Addresses and Remarks

- Childhood obesity, meeting—108
- Illinois
  - Breakfast with small-business leaders in Peoria—93
  - National economy in East Peoria—94
- National Prayer Breakfast—107
- New York City, national economy—99
- Radio address—91
- Securing America's Future Energy organization, meeting—92
- Stanley Cup champion Carolina Hurricanes—109

### Communications to Federal Agencies

- Transfer of Funds Under Section 610 of the Foreign Assistance Act of 1961, memorandum—93

### Proclamations

- American Heart Month—109

### Statements by the President

- Deaths
  - Deborah Orin-Eilbeck—92
  - Molly Ivins—106
- Lebanon situation—93
- Minimum wage and tax relief legislation, Senate passage—108

### Supplementary Materials

- Acts approved by the President—113
- Checklist of White House press releases—112
- Digest of other White House announcements—111
- Nominations submitted to the Senate—112

## WEEKLY COMPILATION OF

## PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 2, 2007

### **The President's Radio Address**

*January 27, 2007*

Good morning. This week, I appeared before Congress to report on the state of our Union. I asked Members of the House and Senate from both sides of the aisle to join me in confronting the great challenges before us, so we can build a future of hope and opportunity for all Americans.

Two key challenges we face are reducing our dependence on oil and expanding access to affordable health care. I have asked Congress to take several vital steps to address these issues. And while some Members gave a reflexive partisan response, I was encouraged that others welcomed this opportunity to reach across the aisle. One Democratic Senator said the initiatives I put forward were "serious proposals" and encouraged his fellow Democrats to "respond in a constructive way." Another Senate Democrat pledged to work toward these goals "through sincere bipartisan efforts." This is a good start, and I look forward to working with Republicans and Democrats in Congress to reform our health care system and increase energy security.

Our Nation's dependence on oil leaves us vulnerable to hostile regimes and terrorists who can hurt our economy by disrupting our oil supply. To protect America against supply disruptions, I have asked Congress to double the current capacity of the Strategic Petroleum Reserve. We also must diversify our Nation's energy supply, and the way forward is through technology. On Wednesday, I visited DuPont's Experimental Station in Wilmington, Delaware, where researchers are developing new methods of producing cellulosic ethanol and other advanced biofuels using everything from grasses to cornstalks to agricultural wastes. By expanding our use of renewable and alternative fuels like ethanol, we can become less dependent on oil

and confront the serious challenge of climate change.

To increase the supply of alternative fuels, I've asked Congress to join me in setting a mandatory fuel standard to require 35 billion gallons of renewable and alternative fuels in 2017—nearly five times the current target. At the same time, we need to reform and modernize fuel economy standards for cars the way we did for light trucks and conserve up to 8.5 billion more gallons of gasoline by 2017. By taking these steps, we can help achieve a great goal: reducing the use of gasoline in the United States by 20 percent in the next 10 years and cutting our total imports by the equivalent of three-quarters of all the oil we now import from the Middle East.

We must also work together to ensure that Americans have accessible and affordable health care. The Government has an obligation to provide care for the elderly, the disabled, and poor children, and we will meet these responsibilities. For all other Americans, private insurance is the best way to meet their needs. And this week, I proposed two new initiatives to help more Americans afford their own insurance.

First, we should establish a standard tax deduction for health insurance that will be like the standard tax deduction for dependents. Families with health insurance will pay no income or payroll taxes on \$15,000 of their income. Single Americans with health insurance will pay no income or payroll taxes on \$7,500 of their income. With this reform, more than 100 million men, women, and children who are now covered by employer-provided insurance will benefit from lower tax bills. This reform will also level the playing field for those who do not get health insurance from their employers. On Thursday, I met an uninsured mother of two children from Overland Park, Kansas. The restaurant where she works does not offer health insurance, and she cannot afford to buy it on her

own. My plan would help put a basic health insurance plan within reach of this mom and millions of uninsured Americans like her.

Second, we must help States that are developing innovative ways to cover the uninsured. States that make basic private health insurance available to all their citizens should receive Federal funds to help them provide this coverage to the poor and the sick. I have proposed using existing Federal funds to create Affordable Choices grants. These grants would give our Nation's Governors more money and flexibility to get basic private health insurance to those most in need.

Over the next few weeks, I will be talking more about my energy and health care proposals. We've set important goals, and now Republicans and Democrats must work together to make them a reality. Together we can reduce our dependence on oil, improve health care for more of our citizens, and make life better for all our citizens.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on January 26 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 27. The transcript was made available by the Office of the Press Secretary on January 26 but was embargoed for release until the broadcast. In his address, the President referred to Esmerelda Wergin, waitress, Ninfa's Tortilla and Taqueria. The Office of the Press Secretary also released a Spanish language transcript of this address.

### **Statement on the Death of Deborah Orin-Eilbeck**

*January 28, 2007*

Laura and I were saddened to learn of the death of Deborah Orin-Eilbeck. Deb had a distinguished, decades-long career as a journalist, covering every Presidential campaign since 1980 and joining the New York Post's Washington bureau in 1988. Deb fought a valiant battle against cancer with the same tenacity, devotion, and determination that she brought to her work in the White House briefing room through numerous administrations.

Laura and I send our condolences to Deb's husband, Neville Eilbeck, and to her family, friends, and colleagues. She will be missed

by all of us at the White House who cared deeply for her.

### **Remarks Following a Meeting With Members of the Securing America's Future Energy Organization**

*January 29, 2007*

A group of our fellow citizens from around the country, different backgrounds, have given me a report called "Recommendations to the Nation on Reducing U.S. Oil Dependence." These citizens have spent time thinking about the national security implications for a country which is dependent on oil from hostile regimes or sources of oil that could be affected by terrorist attack. And I really want to thank you for this comprehensive approach to reducing our dependency on oil. Some really smart ideas in here.

The reason I have asked to come and talk to them is, I wanted to assure them that this administration is committed, as well, to diversifying away from our reliance upon oil. And I believe, like they believe, that we've got fantastic opportunities to use new technologies to secure the American people and, at the same time, be better stewards of the environment.

Their plan and my plan are very—have got commonalities, and we're going to work together to get Congress to enact a comprehensive plan. I believe there's an appetite in the halls of Congress to become less dependent on oil. I believe there's a knowledge in Congress that when we spend money on cellulosic ethanol that will make us less dependent on oil.

And I'm going to continue to call upon citizens' groups and concerned citizens to work with Members of Congress so we can—I can sign a comprehensive plan that will assure the American people that as we look forward into the 21st century that we'll be more energy dependent and good stewards of the environment.

So thank you for your efforts. I appreciate your work. I'm honored to be at the table with citizens who care enough about their country that they would take time out of their private lives and present me with this comprehensive view.

Thank you very much.

NOTE: The President spoke at 3:25 p.m. in the Roosevelt Room at the White House.

### **Statement on the Situation in Lebanon**

*January 29, 2007*

I am deeply disappointed by the recent violence and bloodshed on the streets of Lebanon. It is all the more troubling that the violence occurred while Lebanon's legitimate leaders and friends were gathered together in Paris to help secure a peaceful and prosperous future for the country. Lebanon's friends have pledged a total of \$7.6 billion at the International Conference on Support for Lebanon. I will ask Congress for \$770 million to contribute to this cause. With this pledge, total U.S. support for Lebanon since last summer's conflict, including the \$230 million pledged at the Stockholm Conference last August, will equal approximately \$1 billion. This is a strong symbol of the American people's support for and commitment to the future of Lebanon.

All those who seek a peaceful, constitutional solution to the crisis in Lebanon deserve the support of the international community, but those responsible for creating chaos must be called to account. While Lebanon's friends seek to help the Lebanese Government build a free, sovereign, and prosperous country, Syria, Iran, and Hizballah are working to destabilize Lebanese society. Their goals are clear. They foment violence in order to prevent the establishment of a special tribunal in response to former Prime Minister Hariri's assassination, to prevent full implementation of U.N. Security Council resolutions calling for Hizballah's disarmament, and to bring down Lebanon's democratically elected Government, in violation of its Constitution. The United States will continue to support Lebanon's Government as it seeks a peaceful and prosperous future for all the people of Lebanon.

### **Memorandum on Transfer of Funds Under Section 610 of the Foreign Assistance Act of 1961**

*January 26, 2007*

Presidential Determination No. 2007-11

*Memorandum for the Secretary of State*

*Subject:* Transfer of Funds Under Section 610 of the Foreign Assistance Act of 1961

Pursuant to the authority vested in me by the Constitution and laws of the United States, including section 610 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2360) (the "Act"), I hereby determine it necessary for the purposes of that Act that up to \$86.362 million in fiscal year 2006 funds made available under chapter 4 of part II of the Act be transferred to, and consolidated with, funds made available under chapter 8 of part I of the Act, and such funds are hereby so transferred and consolidated.

You are authorized and directed to report this determination to the Congress and to publish it in the *Federal Register*.

**George W. Bush**

NOTE: This memorandum was released by the Office of the Press Secretary on January 30.

### **Remarks Following Breakfast With Small-Business Leaders in Peoria, Illinois**

*January 30, 2007*

I'm here in Peoria for a couple of reasons. One, I'm looking forward to going to a great American company, Caterpillar, and talking about the importance of opening up markets for U.S. products, because when Caterpillar sells its products overseas, it helps people find work here in Peoria. But equally importantly, I'm here with some business entrepreneurs and social entrepreneurs.

Here are my impressions. One, the business sector, small-business sector of the heartland is strong. And it's really strong because of low taxes. But it's also strong because of—the entrepreneurial spirit is strong. You can't have a good business unless you have somebody willing to lead that business.

Secondly, I am very impressed by the civic spirit of the people here. People understand that when you live in a community, you have an obligation to help that community realize its full potential. I'm real proud of the Reverend, who has taken a tough neighborhood here in Peoria and helped revitalize that neighborhood by utilizing his skills, his talent, and a power higher than himself.

The Congressman told me that when I came back to Peoria, I'd find a community that's vibrant and strong and optimistic, and people around this table are vibrant and strong and optimistic. And I can't thank you enough for sharing your concerns, talking about your hopes, and I can't thank you enough for working hard to really make America the great country that it is.

So God bless, and thanks for your time.

NOTE: The President spoke at 9:12 a.m. at the Sterling Family Restaurant. In his remarks, he referred to Rev. Timothy E. Criss, pastor, City of Refuge Worship Center, Peoria, IL. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

### **Remarks on the National Economy in East Peoria, Illinois**

*January 30, 2007*

Thank you all. Thanks for letting me come by. Please be seated. Thanks for the warm welcome. It's good to be in the heartland of America. Thanks for coming to let me visit with you a little bit about our economy. I really want to thank the good folks at Caterpillar for letting me come by. I like it when they say, "Team Caterpillar." That's a good sign. It means people are working together for the common good.

You know, people from Texas like to say, things are better in Texas. Well, when you tour the Cat plant here, it's—I'm having second thoughts about if things are better in Texas. *[Laughter]* I'm impressed by the machinery I have seen. More importantly, I'm impressed by the workers I have met who are putting the machines together. I thank them for—*[applause]*. And I'm impressed by a culture of excellence and accomplishment that is the spirit of Caterpillar. I also appreciated the chance to drive a D-10. If you've

never driven a D-10—*[laughter]*—it's a cool experience. *[Laughter]*

I'm going to go to New York City tomorrow to deliver a speech on the state of the economy, but I really want to spend a little time here in Peoria to see how things are going. I was at Sterling Brothers—Sterling Family Restaurant today—Sterling Brothers?—Sterling Family, yes, run by two brothers—and met with some small-business owners, social entrepreneurs, as well as business entrepreneurs. I wasn't surprised by what I heard. It reminded me about the greatness of America. I heard about people willing to work hard to achieve dreams and people realizing that when they achieve dreams, they have an obligation to help others. It seems like to me the community spirit here in Peoria, Illinois, is strong.

And that's the way our economy is as well. It's a strong economy. And the fundamental question is, what are we going to do to keep it strong? It's one thing to say, today's economy is strong—I say it because inflation is down; interest rates are down; wages are on the increase; unemployment rate nationally is low; people are working and putting more money in their pocket. And the question facing the country is, what are we going to do to make sure it's strong tomorrow? As I said to Congress, we don't need more Government; we need more enterprise. And so I want to spend a little time talking with you today, talking about the economy.

Before I do, I want to thank Congressman Ray LaHood. He's been bugging me ever since I got elected President. Well, I didn't tell you what he's bugging me about. He's bugging me to come to Peoria. He said, "When are you going to show up?" *[Laughter]* I kept saying, "As soon as possible." The moment has finally arrived, and I'm glad I came. Thank you for the invitation.

I appreciate Jim Owens, the chairman and CEO of Caterpillar. I thank Bob Williams for helping me with the tour. I thank Gerry Shaheen, who is the group president of Caterpillar. I want to thank the workers I met with today. I spent some time with people on the line, talking about the education programs here at this fine company. I thank the leaders of the UAW who have welcomed me here. I thank the folks up and down the line

who put up with me and all the cameras. I just don't travel alone these days, in case you've noticed. *[Laughter]*

I want to thank Mayor Jim Ardis, mayor of Peoria, Illinois. I met him at the airport. It was about minus 10. *[Laughter]* I said, "Do you want to get in the limousine?" He said, "As fast as possible." *[Laughter]* So we drove over to the Sterling Family Restaurant together. I was impressed by your young mayor. I want to thank the local and state officials who've joined us. I appreciate you serving. I appreciate you doing what you think is right for the community that you represent. But most of all, thanks for letting me come.

See, people say, "Why would you want to go to Peoria," and I just told you—I want to get out of Washington and sit down with folks that are really the backbone of this country. And I wanted to come to one of America's great companies, and that's Caterpillar.

The good folks here show others that in the manufacturing world, we can compete. And that's really what Americans wonder, can you compete in a global economy? And my answer is, darn right you can, with good policy. And in this company, you've shown how to compete. And I want to spend some time explaining that to the American people, why competition is important, and why America can compete with anybody, anytime, anywhere, and why it's in our interest to do so.

First of all, it's important for people to know that Caterpillar employs 48,000 workers across America. Secondly, more than half those workers are here in Illinois, 17,000 of them right here in Peoria. Caterpillar has great workers because it has got good training programs. Caterpillar can employ new people because it makes good product that people want.

I appreciate very much the notion that you all are in this deal together. That's what "team" means, that everybody works together for the common good, and if it benefits one, it benefits all. And that's the spirit I have found here. And our job in Government is not to get in your way; our job in Government is to put progrowth economic policies in place that mean companies like

Caterpillar, which do the right things, can succeed. And let me talk about—some of what that means.

First, it means keeping taxes low. Oh, there's a debate in Washington that says, we need more taxes. We don't need more taxes. It's important for you to keep your own money. You work hard for your money, and I understand workers are saying, "Am I going to have more money in my pocket?" That's what we want. And one way to make sure you don't have more money in your pocket is for the Government to raise your taxes.

And so we cut taxes. Listen, we've been through a tough economic period in this country. You remember it—right after the—we headed into a recession in early 2001, then the terrorists attacked us. And the question was, could we recover? And I worked with Congress to cut taxes before the terrorist attack and after the terrorist attack. And I believe one reason why the recession we went through was one of the shallowest in American history is because we cut the taxes. See, when you have more money in your pocket to spend or save and invest, the economy benefits, as far as I'm concerned. And so one of the challenges we face is making sure that we keep the taxes low.

We cut the taxes on everybody who paid taxes. We increased the child tax credit. Look, if you've got a child, we want to help you. We reduced the marriage penalty. I didn't like a Tax Code that penalizes marriage. I thought we ought to be encouraging marriage, not penalizing marriage in our society. We cut taxes on capital gains and dividends, cut the taxes on small businesses.

And all those tax cuts affected the performance of Caterpillar. You see, the tax cuts helped your workers have more money in their pocket. I happen to believe that if the workers have got more money in their pocket, they're going to be a more satisfied worker. I know it sounds not very sophisticated to say that, but I suspect it's true. If you got a safe workplace, a workplace where people are working together—you're a better satisfied worker if you're keeping more of what you earn. And that's what the tax cuts have helped provide.

We helped small businesses with expensing provisions. That's an accounting term that



says, if you buy new equipment, you get a tax benefit for buying new equipment. That helps people in Caterpillar, because it encourages small businesses to use your products. It also helps make sure the small-business sector remain vital. Seventy percent of new jobs in America are created by small businesses. And if you're interested in coming out of a recession and interested in people working, it makes sense to provide tax incentives to help the small-business owner in America. And that's what we did.

Capital gains and dividend tax cuts benefit people who invest in your company. One of the things—reasons this company is strong is, you're able to attract capital. People say, "Well, I like what the workers are doing; I like the product that's being put together. We want to invest; we want to work alongside of the good people here in Caterpillar." And the tax incentives that we provided by cutting capital gains and dividends encouraged that kind of investment.

We extended the research and development tax credit. I mean, one reason why Caterpillar is a modern, competitive company is because you're always investigating new methodologies; you're investing in research. And therefore, in the Tax Code, we tried to encourage research and development. And so the tax cuts have worked. And I hope you don't fall prey to people in Washington saying, we need more of your money in order to balance the budget. I don't think so.

I think what we need to do is to set priorities like you set priorities with your money and make sure we focus on that which is necessary to do. And the most important priority we have is to defend this homeland from attack. And we better make sure that when we have a man or woman in our uniform in harm's way, they get all the equipment, all the support they need to defend the United States here in the 21st century.

I have an obligation to submit a budget. It's one thing to stand up here and say, "We don't need to increase your taxes; we can set priorities and balance the budget"—so next Tuesday, I'm going to do just that. I'm going to submit a budget for Congress to look at that shows how we can balance the budget in 5 years and keep your taxes low.

I want to talk a little bit about trade. Trade is an important subject here at Caterpillar, and the reason why is because a lot of the product you make here, you sell to somebody else, sell overseas to another country. That's trade. And yet it's a topic of hot debate. The temptation is to say, "Well, trade may not be worth it. Let's isolate ourselves. Let's protect ourselves." I think it would be a—I know it would be a mistake for Caterpillar workers to do that. I think it would be a—I know it's a bad mistake for the country to lose our confidence and not compete.

Let me give you some interesting statistics. First of all, we're the largest exporter in the world. Last year, we exported a record \$1.4 trillion worth of goods and services. Now, in order to export something, somebody has to make it. In other words, when I talk about numbers, behind the numbers is people who are providing the service and/or making the product. So the more one exports, the more likely it is people are going to be working.

Exports account for about 11 percent of our economy. One in six manufacturing jobs in the United States depends on manufacturing exports. We also benefit when people invest here. There are people who have good-paying jobs as a result of somebody saying, "I want to invest in the United States." And so when I'm talking about opening markets, I'm making sure that not only is our market open, but somebody else's market is open. And we expect people to treat us just the way we treat them. All we ask for is, be fair with the American people.

We've got free trade agreements. That's how you make sure that we're treated fairly. Our market is open, and we want their market open. We got—these free trade agreements really represent only a small fraction of the GDP. In other words, they're not necessarily with significant economies, and yet they account for 42 percent of American exports.

One way to look at trade is this: We're 5 percent of the people of the world; that means 95 percent live outside of America, and shouldn't we try to put ourselves in a position where we can sell goods and services to those 95 percent? I think it makes sense to do so.

We've pursued trade agreements. The way it works is, you have bilateral trade agreements, in other words, with the United States and, say, Chile. And then we have regional trade agreements and world trade agreements. One world trade agreement is called the Doha round of the WTO. It's basically attempting to make sure that everybody gets treated the same way, in the same fashion, so that the world markets are open.

Again, I repeat to you: I strongly believe that if we can compete with people on a level playing field, nobody can compete with us. And so the key is to make sure the rules are fair. We had bilateral agreements with three countries when I first became President; they're now up to 13, and we've got 3 more in the mill.

Let me talk to you about Caterpillar. Half the products you make in America are exported. It's an interesting statistic, isn't it? You walk by one of these things; it's sold right here in the United States; but the other one right here is sold overseas. Cat sells more than 300 products in foreign markets. It's just not the D-10 I drove that gets sold overseas; there's 299 other products manufactured by this company, by American workers, that are sold overseas.

Free trade agreements are helping. We did a free trade agreement with Chile. Chile has become Caterpillar's fifth largest export market since that free trade agreement. In other words, because we lowered trade barriers, and said, "You treat us the way we treat you," it has enabled this company to sell more product than ever before, which means people are working, when you have to make the product.

The free trade agreement completed with Australia took effect in 2005. Caterpillar exports to Australia have grown by 26 percent. In other words, opening markets benefits people who produce goods that people want. And people want Caterpillar product. Why? Because they work. They generally don't break down; the master craftsmanship is great; and there's a demand for them.

Opening China's market—I understand trade with China is considered controversial. I know that. But I want to tell you something, if you're a Caterpillar worker or a Caterpillar shareholder, what that has meant—it meant

that Caterpillar exports to China have increased by 40 percent since the market was opened. That's helped to create more than 5,000 new jobs right here in America.

We're going to continue to negotiate free trade agreements. And by that I mean, we just want people to treat us fairly. I'm confident in our ability to sell American product and services overseas if the playing field is level.

A little bit on health care—you've got a good health care plan here, thanks to Caterpillar employees. A lot of small businesses don't. The cost of health care is on the rise; you know it. Some things we can do to make the health care system better is to make sure that customers, the patients, are more in charge of their lives and their plans. I'm worried about frivolous lawsuits that are running up the cost of health care. Do you know that there's about 1,500 counties in America where the ob-gyn has left because of frivolous lawsuits, and when somebody gets sued all the time, they practice more medicine than is necessary, and it runs up your cost?

Health care needs to have new information technologies. I met some people on the floor that are running some pretty sophisticated computer ware, and we need information technology in health care. The old system of carrying handwritten files is not efficient, runs up the cost of medicine for you, and leads to errors. Most doctors can't write very well to begin with. *[Laughter]* It's hard to read their writing. We need to change the Tax Code in a fair way that treats everybody fairly. In other words, I've got a plan I'm going to spend a little more time with in New York tomorrow.

I want to talk about energy tomorrow in New York. I'll give you the summary here. Dependency on oil puts us in a position that—where terrorists can harm our economy. When you're dependent on a product, and you import that product, if somebody were to inflict damage on a energy infrastructure, it could cause the price of your energy to go up. Or if you're dependent upon product from a hostile regime, it means you're in a position of vulnerability.

And so I'm going to work with the Congress to spend some of your money on technologies that will change the way we live.

One of the interesting things that's happening is, is that there's some new battery research taking place. And I believe within relatively short order, Americans will be able to drive the first 20 miles, and eventually 40 miles, on a new battery. And you can imagine, particularly in the big cities, if people are using electricity to drive their car—and by the way, the car is not going to look like a golf cart. [Laughter] Not exactly looking like one of these things, but nevertheless—[laughter]—it will be normal size, something you actually want to use. But you can imagine how this battery technology can change our dependence on oil, because if we reduce the use of gasoline, you reduce your use of oil. And if most of your oil coming from overseas, you're reducing your dependency upon oil from overseas.

I'm a big believer in ethanol. You've got a lot of farmers around here who—[applause]. Fifteen years ago, or 20 years ago, if people stood up here and said a lot of people would be using a corn product to drive their cars, they'd have said, "Man, what—the guy has kind of lost it, hasn't he?" But it's happening. We're up to about 6 or 7—I think it's 6 or 7 billion gallons of ethanol per year now.

We're going to run into a constraint pretty soon, though. It turns out, corn is needed for more than just ethanol. You got to feed your cows and feed your hogs. And that's why we're spending some of your money on what's called cellulosic ethanol research, so we can use wood chips or other agricultural wastes to make ethanol, to power our automobiles.

I believe we can reduce our consumption of gasoline by 20 percent over the next 10 years, in order to be able to meet a goal of becoming less dependent on oil. And it's coming. These are new eras, and it's exciting times.

This is a global issue, obviously. It's an issue—for example, when demand for oil goes up in a place like India or China, it affects the price that you pay at the pump. And therefore, it makes sense for us to help these developing countries with new technologies that will not only make them less dependent on hydrocarbons but better stewards of the environment.

And so I appreciate what Caterpillar has done. They're involved with what—we set up what's called the Asia-Pacific Partnership on Clean Development and Climate. I don't know if you know this, but you've sold more than \$50 million worth of equipment to a large coal mine in China to help capture methane gas and turn that into energy. In other words, you're not only making Cats, you're making interesting product that will enable us to be better stewards of the environment. And I thank you for that.

And my only point to you is, is that in order for us to be competitive, in order for us to remain the economic leader of the world, we're going to have to promote new technologies that make us less dependent on oil. And it's coming. These are exciting times. I'm very optimistic about meeting the future because of new technologies.

I do want to say one thing about education. I really appreciate the worker program—the education program for the workers here. I think Cat spends about \$900 a worker to help make sure our workers have the skills necessary to be competitive in the 21st century. But good education starts early. And we need to make sure our public schools, particularly in the early grades, get it right.

There's a piece of law I signed that I'm very proud of called the No Child Left Behind Act. The spirit says, we're going to raise standards. If you have low standards, you get lousy results. I used to call it the soft bigotry of low expectations. If you don't believe a kid can learn, guess what's going to happen—he's not going to learn. And so inherent in—the No Child Left Behind Act says there is a role for the Federal Government. After all, we're spending a fair amount of money, and we ought to expect good results for that money.

So we said, "In return for Federal money, we expect you, the local districts, to set high standards and to measure." I've heard every excuse for not measuring: You're teaching the test; you're testing too much. How can you solve a problem unless you measure? And what we need to do is figure out who can read or write early, and have extra money to help those who can't read or write.

We have an achievement gap in America that we better do something about if we're

going to be competitive. And by that I mean, when you put out the test scores, the minority students test below white students. And that's not good enough. And we'd better make sure all our children can read early, not just a handful. And therefore, I like the idea of holding people accountable. And we say, we'll measure as a diagnostic tool to correct problems early. And at some point in time, if schools refuse to change, there needs to be a consequence. There needs to be accountability. This isn't anti-teacher; this is pro-teacher. And it's pro-parent, and equally importantly, it's pro-child.

And Congress needs to reauthorize this bill. It's working. The achievement gap is closing. How do I know? Because we're measuring; we can measure success in schools. It's in our interest as a country to make sure every child gets a good education, and it's important to start early.

Oh, I'm sure you've heard about all the reading debates, what works and what doesn't. Well, you're able to determine what works or what doesn't by measuring. And a measurement system says to a school, "We appreciate your hard work. Thanks for being in the classroom. But you might think about changing your curriculum since you're not meeting standards."

And then what this country needs to do is to recognize that we need to help poor students go to college. That's why we're expanding and increasing Pell grants. And then what this country needs to do is understand the importance of community colleges and support community colleges, to help older workers gain new skills necessary to fill the jobs of the 21st century.

In order to compete, we got to have an education system that makes sure all children from all walks of life have skills necessary to fill the jobs of the 21st century. We got to be confident and open up markets so that our companies that produce products, goods, and services that people want are able to sell them overseas; we got to have a Tax Code that keeps taxes low on the people who are working for a living. We got to have a health care system that is patient-centered, not government-centered; and we got to make sure that we don't lose our confidence. And if you really knew America like I'm able to see it,

which is to see the compassion and the decency and the courage and the strength of the people, you'd share the same confidence I have about the future of this country.

I'm honored to be with you. Thanks for letting me come to the heartland of the United States. God bless.

NOTE: The President spoke at 11:52 a.m. at Caterpillar, Inc. In his remarks, he referred to Robert T. Williams, vice president, Caterpillar, Inc. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

## Remarks on the National Economy in New York City

*January 31, 2007*

Thank you all very much. Thanks for coming. Please be seated. Thanks for being here. I'm pleased to be back in Federal Hall. You know, I drove in, and there stood George Washington. I like to call him George W. [Laughter] It's nice to be back here.

Last week, I delivered my State of the Union. This morning I've come to deliver a state of the economy speech, and there's no better place to do it than in America's financial capital. More than two centuries ago, Alexander Hamilton led the U.S. Treasury Department from this building. Today, New York City is headquarters of global corporations; it's a center for capital markets; it's the home of three of the world's greatest stock exchanges. You have a mayor whose name is a fixture on trading floors across the world. [Laughter] And until I took him to Washington, you had Hank Paulson—who, by the way, is doing a fabulous job.

As we begin this new year, America's businesses and entrepreneurs are creating new jobs every day. Workers are making more money. Their paychecks are going further. Consumers are confident; investors are optimistic. Just today we learned that America's economy grew at an annual rate of 3.5 percent in the fourth quarter of 2006. That means our economy grew at 3.4 percent last year, which is up from 3.1 percent in 2005. Ladies and gentlemen: The state of our economy is strong. And with the hard work of the American people and the right policies

in Washington, we're going to make it even stronger.

Mr. Mayor, thanks for being here. I appreciate you coming. You're doing what people want you to do, and that is to lead this city. I appreciate Bill Rudin—thanks for having me, Bill. Good to see you again.

I want to thank Members of the Congress who have joined us—Peter King, Vito Fossella, Carolyn Maloney, and Tom Reynolds. Thanks for flying down with me today. You want a ride back? *[Laughter]*

Mr. Mayor—David Dinkins, thank you for being here. Proud you're here. And it's good to see my buddy, Mayor Ed Koch. Mr. Mayor, thank you for coming. Appreciate you being here.

I thank the members of the Association of a Better New York who have joined us. I appreciate all the State and local officials who are here.

Bill mentioned that I was here in October 2001. I recognized then that our economy had been hit hard, and there was great uncertainty about the future. It was a tough time for the country. Many people were out of work. By mid-December, nearly a million jobs had been lost. The collapse of the Twin Towers had left dangerous cracks in this building's foundations.

I said that day that I was optimistic that our economy would recover from these attacks. But if I'd have told you we would also make the recession one of the shortest on record, that we'd have confronted corporate scandals, absorb a tripling in the price of oil, fight a global war, and help a whole region of our country recover from a hurricane, you might have been a little skeptical.

Yet America's economy has overcome all these things. Federal Hall has been fully restored. It's on solid ground. And so is the New York economy—as the mayor mentioned, it's booming—with a bond rating at an alltime high and unemployment near an alltime low. Across our Nation, small businesses and entrepreneurs are creating millions of new jobs. Retail sales are up; consumer spending is strong; exports of goods and services have jumped by nearly 35 percent. The Dow Jones has set new records 26 times in the last 4 months. Productivity

is strong, and that's translating into higher wages.

When people across the world look at America's economy, what they see is low inflation, low unemployment, and the fastest growth of any major industrialized nation. The entrepreneurial spirit is alive and well in the United States. There is one undisputed leader in the world in terms of economy, and that's the United States of America.

On Wall Street, you know that America's economic leadership rests on strong and flexible capital markets. Capital markets connect entrepreneurs with the investment they need to turn their ideas into new businesses. America's capital markets are the deepest, the broadest, and the most efficient in the world. Yet excessive litigation and overregulation threaten to make our financial markets less attractive to investors, especially in the face of rising competition from capital markets abroad. To keep America's economic leadership, America must be the best place in the world to invest capital and to do business.

One important step we've taken in Washington is to pass litigation reform like the Class Action Fairness Act. It's important for people in Congress to understand that excessive lawsuits will make it hard for America to remain the economic leader that we want to be. Another important step we've taken is to strengthen our business institutions by passing the Sarbanes-Oxley Act in 2002. This law helped boost investor confidence by establishing high standards for transparency and corporate governance. The principles of Sarbanes-Oxley are as important today as when they were passed. Yet complying with certain aspects of the law, such as section 404, has been costly for businesses and may be discouraging companies from listing on our stock exchanges.

We don't need to change the law; we need to change the way the law is implemented. America needs a regulatory environment that promotes high standards of integrity in our capital markets and encourages growth and innovation. And I'm pleased of the progress that Hank Paulson and Chairman Chris Cox are making to make sure the regulatory burden is not oppressive, and fair, and helps us meet a great national objective—to keep the

United States the economic leader in the world.

Our economic leadership also depends on sensible, pro-growth tax policies. To help bring our economy out of a recession and recover from September the 11th, we cut taxes on the American people. We cut taxes on everybody who pays income taxes. We doubled the child tax credit. We reduced the marriage penalty. We cut taxes on small businesses. And we cut taxes on dividends and capital gains.

There's a lot of political debate about these tax cuts. But here are some of the facts: Since we enacted major tax relief into law in 2003, our economy has created nearly 7.2 million new jobs; our economy has expanded by more than 13 percent. That expansion is roughly the size of the entire Canadian economy. This economic growth has led to record tax revenues, which has helped us cut the deficit in half 3 years ahead of schedule. One fact should be clear when you look at the statistics: The fastest way to kill a recovery would be to raise taxes on the people who created it. Now is not the time for the Federal Government to be raising taxes on the American people.

We must ensure that the money you send to Washington is spent wisely. Next Monday, I'm going to submit to Congress a budget that will eliminate the deficit by 2012. In order to do so, we need to set priorities in Washington. You can't try to be all things to all people when it comes to spending your money if you want to keep taxes low, keep the economy growing, and balance the budget. And my number-one priority is to protect this country. And we're going to make sure our troops have all the equipment they need to do the job we've sent them to do and make sure our citizens have what it takes to defend this homeland.

That means we've got to be careful about how we spend money in other areas. One thing we can do to show the American people that we're going to be smart about how we spend their money is to do something about earmarks. It's that system of appropriations where things end up being spent even though nobody has voted on them. And I'm going to work with Congress to reduce the amount of earmarks and the number of dol-

lars spent by earmarks in a significant way to earn the trust of the taxpayers of this country, and at the same time, be wise about how we spend their money.

I believe I need a line-item veto to help Congress spend money wisely. And so I put forth a plan that says the legislative branch and the executive branch will work together to eliminate wasteful and unnecessary spending.

We're about to pass a farm bill that provides a strong safety net, while tightening spending and cutting subsidies. We can manage this short-term deficit, and I look forward to working with Congress to do so. But it's important for Congress to understand, there are unfunded liabilities inherent in Social Security and Medicare that we need to do something about now.

And I understand it's tough work, requires political will from both the President and the Congress to come together and solve this problem. I'm hopeful that we can set aside needless politics and address the issues with entitlements in a constructive way. That way people will say, "They came to Washington, and they did the job we expect them to do."

Our growing economy is also a changing economy. The rise of new technologies, new competition, and new markets abroad is bringing changes—and these changes are coming faster than ever. There was a time when most people expected they'd keep a job for life. Now the average American has 10 jobs before the age of 40. It used to be that a company's name would stay the same for decades. New companies are now—now companies are merging and splitting and creating new names and new stock symbols. Some of us can still remember when cell phones were the size of bricks and considered a luxury. Now they fit in your pocket; they take photos; they play music; and every teenager in America has one, it seems like.

By and large, our dynamic and innovative economy has helped Americans live better and more comfortable lives. Yet the same dynamism that is driving economic growth is also—can be unsettling for people. For many Americans, change means having to find a new job or to deal with a new boss after a merger or to go back to school to learn new skills for a new career. And the question for

America is whether we treat the changes in our economy as opportunity to help improve people's lives or as an excuse to retreat into protectionism.

I believe that the changes present us with historic opportunities. America's growing economy allows us to approach them from a position of strength. And so today I'm going to discuss actions we should take to make America's economy more flexible and dynamic in four areas: trade; health; energy; and education.

First, we can make our economy more flexible and dynamic by expanding trade. America has about 5 percent of the world's population. And that means 95 percent of our potential customers are abroad. Every time we break down barriers to trade and investment, we open up new markets for our businesses and our farmers. As we improve free trade, consumers get lower prices; there are better American jobs; you see increased productivity. Jobs supported by exports of goods pay wages that are 13 to 18 percent higher than the average. So one of our top priorities has been to remove obstacles to trade everywhere we can.

When I took office, America had free trade agreements with three countries. We have free trade agreements in force now with 13 countries, and we have more on the way. These agreements are leading to direct benefits for America's businesses and, equally importantly, America's workers. Yesterday I went to the Caterpillar plant in Peoria, Illinois. That's where they make big bulldozers. [Laughter] The folks there told me that Caterpillar now exports more than one-half of the products they make. They see immediate results when we have broken down barriers to trade. Within 2 years of implementing our free trade agreement with Chile, Caterpillar's exports to that country have nearly doubled. The opening of this and other export markets has led Cat to add thousands of new jobs here in America.

Manufacturers, farmers, and service providers all across our country have similar stories. So we need to continue to level the playing field for our goods and services. I strongly believe this: When people around the world have a choice, they choose goods that say "Made in the USA."

In this global economy, new competition means that American businesses must constantly approve [improve] \*. Global competition can also lead to hardships for our workers and their families. Government has a responsibility to help displaced workers find new jobs or even a new career. So my administration has reformed job training programs and expanded trade adjustment assistance to help more displaced workers learn the new skills they need to succeed. I'm going to work with Congress to reauthorize and to improve the trade adjustment assistance this year, so we can help Americans take advantage of this growing, dynamic economy.

At this moment, the most promising opportunity to expand free and fair trade is by concluding the Doha round at the World Trade Organization. Global trade talks like Doha have the potential to lower trade barriers all around the world. They come around only once every decade or so. Successful trade talks will have an enormous impact on people around the world. Since World War II, the opening of global trade and investment has resulted in income gains of about \$9,000 a year for the average American household.

The Doha round is a chance to level the playing field for our goods and services—in other words, so we can be treated fairly in foreign markets—but it also has a great opportunity to lift millions of people out of poverty around the world. And so we're going to work hard to complete it. We are dedicated to making sure we have a successful Doha round.

The only way America can complete Doha and make headway on other trade agreements is to extent trade promotion authority. This authority allows the President to negotiate complicated trade deals for our country and then send them to Congress for an up-or-down vote on the whole agreement. Presidents of both parties have considered this authority essential to completing good trade agreements. Our trading partners consider it essential for our success at the negotiating table. The authority is set to expire on July 1st, and I ask Congress to renew it. I know there's going to be a vigorous debate on

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\* White House correction.

trade, and bashing trade can make for good sound bites on the evening news. But walling off America from world trade would be a disaster for our economy. Congress needs to reject protectionism and to keep this economy open to the tremendous opportunities that the world has to offer.

Second, we can make our economy more flexible and dynamic by reforming our health care system. Across the country, business owners tell me that the cost of health care is their biggest problem, and it's becoming harder to provide coverage for their workers. American workers and their families also find that the health care system is rigid and confusing. They end up with medical bills that are impossible to understand and spend hours filling out complicated insurance forms. They feel locked into jobs because they're worried about losing the health insurance if they leave their job. They have no way to measure the quality of their doctors and hospitals. They see good doctors being driven out of practice because of frivolous lawsuits. All this leads to higher medical costs and higher insurance premiums for businesses and their families.

Listen, Federal Government has an important role to play when it comes to health care, and that is to help the poor and the disabled and the elderly. And we're keeping those obligations. But for all other Americans, I believe that private health insurance is the best way for them to meet their needs. Many Americans cannot afford private health insurance. So we're taking steps to make it more affordable and to give patients more choices and more control over their health care decisions.

We created health savings accounts, which put patients in charge of their medical decisions and helps reduce the cost of their coverage. And I ask Congress to strengthen health savings accounts. We need to pass association health plans, so that small businesses can insure their workers by pooling risk at the same discount that big companies are able to get.

We're using information technology. Listen, we're a giant consumer of health care at the Federal level. And we're insisting upon new technologies to make health care more efficient, and thereby reducing costs inherent

in an inefficient system and reducing medical errors. We believe that the health care industry needs to post price and quality, so as consumers have more choice, they're able to make better decisions about the health care they get. We understand that a nontransparent system where somebody else pays the bills is likely to cause costs to continue to rise.

Congress needs to pass medical liability reform. If you're interested in available and affordable health care, we should not have a legal system that's running good doctors out of practice and running up the cost of your medicine.

And one of the most promising ways to make private health insurance more affordable is to reform the Tax Code. Under current law, workers who get health insurance from their companies get a tax benefit. If you buy insurance on your own, you do not get the tax benefit. The Tax Code is not fair. So in my State of the Union Address, I proposed to end this unfair bias in the Tax Code by creating a standard deduction for every American who has health insurance, no matter where you get it from.

This deduction would also apply to payroll taxes, so that those who do not pay income taxes would still get a benefit. With this reform, more than 100 million men, women, and children who are now covered by employer-provided insurance will benefit from lower tax bills. Those who now purchase health insurance on their own would save money on their taxes. Millions of others who have now no health insurance at all would find basic private coverage within their reach.

As well, we need to do more to help the States and localities deal with the uninsured. I think the most innovative programs are developed at the State level. And I think it's in our interest to support States that make basic private health insurance available to all their citizens—to have help from the Federal Government, to help them with the poor, to help them with the uninsured. So we're asking Congress to join us in setting up Affordable Choices grants to make sure that the poor and the sick have private health insurance available to them as well.

All these steps will bring America closer to a health care system where patients are



in charge of their medical decisions. In a reformed system, there will be a vibrant individual market, in which health insurance companies actually compete for your business. When you leave your job for a better opportunity elsewhere, you will be able to take your health care plan with you. If people change jobs 10 times before they're 40, we need a health care system that is flexible and consumer-oriented. Health care providers will have an incentive to improve their service. Your medical records would fit on a CD, so you would not have to fill out multiple forms every time you visit your doctor. In the end, you would have a more flexible health care system that responds to your needs and, at the same time, helps us keep our economy flexible and dynamic.

Third, we can make our economy more flexible and dynamic by diversifying our energy supply. Energy is vital to businesses and farmers and families all across our Nation. Yet we have a fundamental problem: We're too dependent on oil. That creates vulnerabilities. When demand for oil goes up in China or India, it affects the price of gasoline here in America. If a terrorist were to attack oil infrastructure, it affects the supply of energy here in America.

Dependency on oil means we're not being as good a steward of the environment as we should be. The way to overcome these challenges is through innovation and technology. I believe it is a good use of your money to spend at the Federal level on new technologies to make us less dependent on oil, and that's exactly what we've done. We're spending money on cellulosic ethanol; that's a fancy word for saying, someday, we're going to be able to convert switch grass into energy that powers your cars. We're spending money on biodiesel fuels. We're spending money on advanced batteries, so someday, you'll be able to plug in your automobile and drive the first 40 miles on electricity, and your car is not going to look like a golf cart. [Laughter] We're spending money on solar and wind energy and clean coal and nuclear power.

Since 2001, my administration, working with Congress, has invested up to more than \$10 billion to develop cleaner energy alternatives. And this Federal funding has helped

America's scientists and engineers make tremendous progress toward a goal of becoming less dependent on oil. As well, the private sector is responding. You know it better than I do, but a lot of people are seeing interesting opportunities available in alternative energies. And private money is flowing into these new alternatives.

So we're on the threshold of dramatic technological breakthroughs. And now the challenge is to move the technologies from research lab into the marketplace. In my State of the Union, I set an ambitious goal of reducing gasoline usage in the United States by 20 percent over the next 10 years. If you want to become less dependent on oil, the quickest way to do so is to use less gasoline. Meeting this goal will require significant changes in supply and demand. On the demand side, we have got to reform our economy—fuel economy standards; that will reduce the amount of gasoline that cars and SUVs consume. And on the supply side, I have proposed a new mandatory fuel standard that is nearly a fivefold increase over the current target for renewable and alternative fuels.

We'll leave it to the market to decide the mix of fuels that most effectively and efficiently meet this goal. But that goal can be achieved, and that's why I put it out there. It's a necessary goal for our national security and economic security. It's an important goal to deal with the issue of climate change. Imagine what these technologies will mean for somebody living in New York—the fuel in your car is going to come from a cornfield in Iowa or perhaps switch grass out of Texas. Hybrid electric taxicabs will be running on new generation lithium ion batteries. The financial pages will be filled with new stock symbols for a—dynamic American companies in the growing field of alternative fuels.

This day is coming, but it's not going to happen overnight. If you want to be less dependent on foreign oil, we ought to be drilling for oil and gas in environmentally friendly ways here in the United States. And if you're concerned about a terrorist attack which could disrupt oil supplies, it makes sense for Congress to double the Strategic Petroleum Reserve.

So I hope Congress moves forward on these initiatives, and I'm looking forward to working with them. The idea is to diversify our energy supply, keep our air clean, and help create new jobs through new industries that will meet the demand for alternative sources of energy.

Fourth, we can make our economy more flexible and dynamic by strengthening public education. A strong and vibrant education system is vital to maintaining America's competitive edge in the world. A strong and vibrant education system will ensure that every citizen can share in this Nation's prosperity.

I know some of our citizens worry about the fact that our dynamic economy is leaving working people behind. We have an obligation to help ensure that every citizen shares in this country's future. The fact is that income inequality is real; it's been rising for more than 25 years. The reason is clear: We have an economy that increasingly rewards education and skills because of that education. One recent study of male earnings showed that someone with a college degree earns about 72 percent more than someone with a high school diploma. The earnings gap is now twice as wide as it was in 1980, and it continues to grow. And the question is whether we respond to the income inequality we see with policies that help lift people up or tear others down. The key to rising in this economy is skills, and the Government's job is to make sure we have an education system that delivers them.

And that's why I think one of the most important economic initiatives of my Presidency has been the No Child Left Behind Act. The philosophy behind No Child Left Behind says, "We're going to spend Federal money, but we expect you, at the local level, to deliver results." In other words, we've insisted upon accountability. I understand some people don't like accountability, but how can you make sure if our kids are getting the foundation for the skills necessary to compete in the 21st century unless you measure? And when you measure and find failure, correct problems early, before it's too late.

The No Child Left Behind Act is working. There's an achievement gap in America that's not fair, and it's not right, and it's beginning

to close. You know how I know? Because we're measuring. This good law is working, and the Congress needs to reauthorize it.

The agenda to strengthen education and make America more competitive extends beyond the primary grades. And that's why I proposed—and I'm working with the Congress to pass—the American Competitiveness Initiative. That means we're going to improve math and science education in the middle schools and high schools. You can't compete in the 21st century unless we're educating young engineers and physicists and chemists—unless we have—our kids have the skills necessary to fill the jobs of the 21st century.

I also believe it's a vital role for the Federal Government to spend money on basic scientific research. And so I've called upon Congress to double the funding for basic scientific research at the National Institute of Standards and Technology labs or the Department of Energy's Office of Science or the National Science Foundation. In other words, there's things we can do in Washington to put good policies in place to make sure that we stay on the cutting edge of change, and at the same time, educate our kids so they can take advantage of the world we're in.

I believe—and I appreciate Congress's expanding Pell grants. It's a strong initiative I support. Pell grants are a good way to help our poor students go to college. And I'm a big believer in the community college system here in America. Community colleges work. They're available, and they're affordable, and they have the capacity to change curriculum to meet the needs of the local workforce. And it makes sense for the Federal Government to support community colleges for this reason: It doesn't take much additional education to gain a new skill set so you can find jobs in this 21st century.

Now let me give you an example. I went to Anne Arundel Community College in Maryland, and I met Jeannetta Smith. She used to work in the textile industry. She left to study nursing. She recognized that in nursing, she could make a better living for her

family and herself. And so she went to a community college, and she got some low-interest loans to help her, and she became a registered nurse. With a little bit of extra education and some help, she went to the community college, and she's now making three times what she did in her old job. Education enables one to gain new skills necessary to fill the jobs that are coming in the 21st century. She said about her new career: "It's been very, very good. The opportunities are boundless." And that's what we want people saying in America, "I have got the skill set to be able to say, the opportunities are boundless."

America's businesses have responsibilities here in America. I know you know that. A free and vibrant economy depends on public trust. Shareholders should know what executive compensation packages look like. I appreciate the fact that the SEC has issued new rules to ensure that there is transparency when it comes to executive pay packages. The print ought to be big and understandable. When people analyze their investment, they ought to see loud and clear—they ought to be able to see with certainty the nature of the compensation packages for the people entrusted to run the companies in which they've got an investment.

Government should not decide the compensation for America's corporate executives, but the salaries and bonuses of CEOs should be based on their success at improving their companies and bringing value to their shareholders. America's corporate boardrooms must step up to their responsibilities. You need to pay attention to the executive compensation packages that you approve. You need to show the world that America's businesses are a model of transparency and good corporate governance.

One New Yorker who understands corporate responsibility is a fellow named John Duffy. John Duffy grew up in the Bronx. He became CEO of a Manhattan investment and research firm called Keefe, Bruyette, and Woods. On September the 11th, KBW had its offices in the South Tower of the World Trade Center. That day, the firm lost 67 people, including John's 23-year-old son. Many thought KBW was finished, but not John Duffy. He moved his company to temporary

offices. He paid out \$40 million to the families of the employees the firm lost. He set up a charitable trust to help them with medical bills and college expenses. And he rebuilt his business. Last year, KBW went public, and now the firm has twice as many employees as it did on September the 11th.

I want the people to listen to what John Duffy said: "If that day was our final day, it would have meant that the bad guys had won. Our way to fight back was to keep going." It says something about John Duffy that the terrorist attacks only made him more determined to succeed. It says something about New York that there are countless stories like KBW's, of hard-working men and women who picked themselves up and rebuilt bigger and better than before. It says something about America that we continue to produce citizens who come back from adversity and create new opportunity for themselves and for others.

And this is the true strength of our economy. That's what makes us the economic leader of the world. And that's why I'm confident that we can remain that economic leader, because we're a nation of dreamers and doers and believers—God-fearing, decent, honorable people. And I'm proud to be the President of such a nation. God bless.

NOTE: The President spoke at 11:12 a.m. at Federal Hall. In his remarks, he referred to Mayor Michael R. Bloomberg of New York City; William C. Rudin, chairman, Association for a Better New York; and former Mayors David N. Dinkins and Edward I. Koch of New York City. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

## **Statement on the Death of Molly Ivins**

*January 31, 2007*

Molly Ivins was a Texas original. She was loved by her readers and by her many friends, particularly in central Texas. I respected her convictions, her passionate belief in the power of words, and her ability to turn a phrase. She fought her illness with that same passion. Her quick wit and commitment to her beliefs will be missed. Laura and

I send our condolences to Molly Ivins's family and friends.

## **Remarks at the National Prayer Breakfast**

*February 1, 2007*

Thank you all. Thank you very much. Now will you please join me in singing "The Eyes of Texas." [*Laughter*]

Good morning. Laura and I are honored to join you here at the 55th National Prayer Breakfast. You know, it's an amazing country, isn't it, when people from all walks of life gather to recognize our dependence on an Almighty God, and to ask Him for blessings in our life. I think a breakfast such as this speaks to the true strength of the United States of America.

We come from many different faiths, yet we share this profound conviction: We believe that God listens to the voice of His children and pours His grace upon those who seek Him in prayer. I appreciate, Mr. Congressman, you and Jo Ann Davis for leading this prayer breakfast. And thanks for paying tribute to my wife.

I appreciate the Speaker's presence, Congressman Hoyer's presence, Congressman Blunt's presence. I want to thank all the Members of the Senate and the House of Representatives who have joined us. I appreciate the fact that we've got Governors here, local officials and State officials. I thank the members of my Cabinet for joining us. Don't linger; you've got a job to do. [*Laughter*] I thank the military officials who have joined us, distinguished dignitaries. Mr. Prime Minister, we are glad you're here. Thank you for joining us.

I appreciate Dr. Collins. I want to thank Reverend Mucci and his wife, Kathy. I appreciate Nicole Mullen. But most of all, thank you all.

We are a nation of prayer; America prays. Each day, millions of our citizens bow their heads in silence and solitude, or they offer up prayers in fellowship with others. They pray for themselves; they pray for their families; they pray for their neighbors and their communities. In many congregations and homes across this great land, people also set

a time—set aside time to pray for our Nation and those entrusted with authority, including our elected leaders.

In my travels, I often see hand-printed signs and personal messages from citizens that carry words of prayer. Sometimes it's a single little girl holding up a placard that reads: "Mr. President, be encouraged; you are prayed for." Sometimes it's a banner held by a group of young people that says: "We are praying for you, Mr. President." I often hear similar words when I meet people on a ropeline. Isn't that interesting—you're working a ropeline and people come up and say, "Mr. President, I am praying for you and your family."

The greatest gift a citizen of this country can give those of us entrusted with political office is to pray for us. And I thank those in our Nation who lift all of us up in prayer.

Our troops must understand that every day—every day—millions of our citizens lift them up in prayer. We pray for their safety; we pray for their families they have left at home; we pray for those who have been wounded, for their comfort and recovery. We remember those who have been lost, and we pray that their loved ones feel the healing touch of the Almighty. During this time of war, we thank God that we are part of a nation that produces courageous men and women who volunteer to defend us.

Many in our country know the power of prayer. Prayer changes hearts; prayer changes lives; and prayer makes us a more compassionate and giving people. When we pray, we surrender our will to the Almighty and open ourselves up to His priorities and His touch. His call to love our neighbors as we would like to be loved ourselves is something that we hear when we pray. And we answer that call by reaching out to feed the hungry and clothe the poor and aid the widow and the orphan. By helping our brothers and sisters in need, we find our own faith strengthened and we receive the grace to lead lives of dignity and purpose.

We see this grace in the life of a young American named Shannon Hickey. Shannon was one of Laura's guests at the State of the Union. When Shannon was growing up, her favorite priest was Father Mychal Judge, a

chaplain with the New York City Fire Department. Father Mychal helped Shannon and her family through Shannon's struggle with liver disease. On September the 11th, 2001, Father Mychal lost his life in the World Trade Center. In memory of her friend, Shannon founded Mychal's Message, a non-profit organization dedicated to sharing Father Mychal's loving spirit. Over the last 5 years, Mychal's Message has collected and distributed more than 100,000 needed items to the poor and the homeless. With each gift to the needy, Shannon encloses a card with Father Mychal's personal prayer. It reads: "Lord, take me where you want me to go, let me meet who you want me to meet, tell me what you want me to say, and keep me out of your way." [Laughter]

Father Mychal's humble prayer reminds us of an eternal truth: In the quiet of prayer, we leave behind our own cares and we take up the cares of the Almighty. And in answering His call to service, we find that, in the words of Isaiah, "We will gain new strength. We will run and not get tired. We will walk and not become weary."

And so I thank you for joining us on this day of prayer. I thank you for the tradition you continue here today. And I ask for God's blessings on the United States of America.

NOTE: The President spoke at 8:45 a.m. at the Hilton Washington Hotel. In his remarks, he referred to Representative Emanuel Cleaver II of Missouri; Prime Minister Said Musa of Belize; Francis S. Collins, director, National Human Genome Research Institute; Rev. Dan Mucci, Jr., senior pastor, Abundant Life Church, Glen Burnie, MD, and his wife, Kathy; and entertainer Nicole C. Mullen.

### Remarks Prior to a Meeting on Childhood Obesity

February 1, 2007

**The President.** Laura and I are so pleased to welcome the Ad Council, as well as leaders from our business community, to talk about a serious American problem, and that is childhood obesity.

Childhood obesity is a costly problem for the country. It puts stress on American families. And we believe it is necessary to come

up with a coherent strategy to help folks all throughout our society cope with the issue. And I appreciate the Secretary being here. Thanks for coming, Mr. Secretary.

We'll discuss—one of the strategies is to have the Ad Council put on an interesting series of ads encouraging children to exercise. One way for this Nation to cope with the issue of obesity is to get people outside—whether it be through sports or hiking or conservation. So we'll encourage them to do that, encourage parents to encourage their children to participate in the great outdoors. We'll also talk about healthy diet choices here.

And so I want to thank you all for coming. It's a serious issue that we take seriously here at the Government.

Laura is off to New York to kick off the program to help deal with heart disease here. And you might want to say a few words.

[At this point, the First Lady made brief remarks.]

**The President.** Thank you all.

NOTE: The President spoke at 9:20 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Secretary of Health and Human Services Michael O. Leavitt. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

### Statement on Senate Passage of Minimum Wage and Tax Relief Legislation

February 1, 2007

Today the Senate has passed significant legislation that will benefit America's workers and small businesses. By working in a bipartisan way to match a minimum wage increase with tax relief for small businesses, the Senate has taken a step toward helping maintain a strong and dynamic labor market and promoting continued economic growth. I strongly encourage the House to support this combined minimum wage increase and small-business tax relief.

NOTE: The statement referred to H.R. 2.

## **Proclamation 8104—American Heart Month, 2007**

*February 1, 2007*

*By the President of the United States  
of America*

### **A Proclamation**

Heart disease is the leading cause of death in the United States, claiming hundreds of thousands of lives each year. During American Heart Month, we renew our commitment to fighting cardiovascular disease by increasing public awareness of this deadly disease and understanding of how it can be prevented.

Today, millions of Americans live with some form of cardiovascular disease, including congenital heart disease, coronary heart disease, and high blood pressure. Individuals can reduce their chance of developing these and other types of heart disease by exercising regularly, maintaining healthy eating habits and weight, avoiding tobacco use, and monitoring cholesterol and blood pressure levels. All Americans should speak with their doctors about the dangers of this disease and get regular preventive screenings.

My Administration continues to help raise awareness of heart disease through initiatives such as “The Heart Truth” campaign, sponsored by the National Heart, Lung, and Blood Institute. First Lady Laura Bush serves as the National Ambassador of “The Heart Truth” campaign and works with partner organizations as part of her Women’s Health and Wellness Initiative. The campaign informs women about the dangers of this deadly illness and encourages them to make cardiovascular health a priority. This year marks the fifth anniversary of the campaign, which uses the red dress as a symbol to remind women to protect their heart health and inspire them to take action. New data shows that fewer women are dying from heart disease, and more women are aware heart disease is the number one killer.

During American Heart Month, we honor the medical professionals, researchers, and all those whose tireless efforts are making a positive difference in the lives of those battling heart disease. By working together, we

can continue to help the American people live longer and healthier lives.

In acknowledgement of the importance of the ongoing fight against cardiovascular disease, the Congress, by Joint Resolution approved December 30, 1963, as amended (77 Stat. 843; 36 U.S.C. 101), has requested that the President issue an annual proclamation designating February as “American Heart Month.”

**Now, Therefore, I, George W. Bush,** President of the United States of America, do hereby proclaim February 2007 as American Heart Month, and I invite all Americans to participate in National Wear Red Day on February 2, 2007. I also invite the Governors of the States, the Commonwealth of Puerto Rico, officials of other areas subject to the jurisdiction of the United States, and the American people to join me in recognizing and reaffirming our commitment to fighting cardiovascular disease.

**In Witness Whereof,** I have hereunto set my hand this first day of February, in the year of our Lord two thousand seven, and of the Independence of the United States of America the two hundred and thirty-first.

**George W. Bush**

[Filed with the Office of the Federal Register, 8:47 a.m., February 2, 2007]

NOTE: This proclamation was published in the *Federal Register* on February 5.

## **Remarks Honoring the 2006 Stanley Cup Champion Carolina Hurricanes**

*February 2, 2007*

**The President.** Thank you all for coming. Have a seat. It’s a pretty big deal for a guy that doesn’t know how to ice-skate—[*laughter*—to welcome the Carolina Hurricanes to the White House. We appreciate you coming. You know, I’m not sure what is prettier, the Stanley Cup or Mike Commodore’s hair. [*Laughter*] A little disappointed you got a haircut—[*laughter*—but, welcome.

**Mike Commodore.** Thank you.

**The President.** The other thing—I was a little surprised to see that he’s not wearing his robe. [*Laughter*]

At the start of this season, this team was ranked 28th out of 30 teams. I like to be around people that keep expectations low. [Laughter] Instead of listening to the prognosticators, this team had a 112-point season. They had 52 wins. They win the Stanley Cup. They're here at the White House. Congratulations to you.

I congratulate the owners, Peter Karmanos and his son, Jason. I'm sorry that Peter is not here. I understand he had an operation, and we send very best wishes. I thank Jim Rutherford, the president and general manager of the team. The guy has got a lot of—he's a pretty aggressive guy. I just met him, and he said, "I saw Barney outside; you're feeding him too much." [Laughter] Probably right. [Laughter]

I welcome the captain of this team, Rod Brind'Amour, and the players. I welcome their families. If your families are here, I want to thank you very much for enduring a long season. It's pretty hard to be married to a hockey player that's on the road a lot. But I know that you bring inspiration to the players. I appreciate the coach. Peter, you've done a heck of a good job. It's not easy to be a coach of a successful team, and I appreciate the spirit that you brought to this club. Mr. Commissioner, thank you for coming. I'm proud that you're here. I really thank you for taking time—you and Bill taking time out of your day to be here—and Bernadette Mansur, who is with us as well.

I want to thank all the people associated with this club. I particularly want to pay tribute to the equipment managers and the locker room people. Players get all the credit and all the glory, but they would tell you firsthand, they wouldn't be able to skate every day if somebody wasn't there making sure that the uniforms were ready and doing all the hard work. The games end late; these folks are toiling long into the night preparing for the next day's practice. And so we welcome not only the players and the management and the coaches and the families, but all those who make a successful franchise run. We're really glad you're here at the White House.

You got a lot of fans here in Washington, DC. I know you got a lot of fans in Carolina, but you've got two United States Senators

who've come to greet you—Senator Dole and Senator Burr. Thank you for coming. And Congressman Howard Coble—what's that hat say? That's a championship hat?

**Representative Howard Coble.** Championship hat.

**The President.** Fine looking lid, isn't it? [Laughter] I thought you might be wearing that to cover up your bald head. [Laughter] Yes. [Laughter] Now you know what I'm talking about. [Laughter]

I appreciate very much the rest of the National Hockey League personnel who've joined us. I want to welcome the young hockey teams that are here, the local youth teams—

**Participant.** Virginia State teams—

**The President.** —Virginia State teams. Good. Well, we're glad you're here. Thanks for coming to see what champs look like. [Laughter] And so the idea is to skate hard, work hard, and make the right choices and someday, you'll be standing up here at the White House. I'm probably not going to be here. [Laughter]

A lot of Americans don't know this, but the Stanley Cup is the oldest trophy in professional sports. It's also one of the toughest trophies to win. Listen to this: It takes 4 rounds in the playoffs, 16 wins, before an NHL player can skate with the Stanley Cup.

It's unique in another way. It is the only professional sports trophy that every player on the championship team gets to take home for a day, and this cup has had some amazing experiences. [Laughter]

It's been to the top of Mount Elbert in Colorado. It has taken a roller coaster ride at Universal Studios. [Laughter] It's been used as baptismal font, a popcorn holder—[laughter]—a feed trough for a winner of the Kentucky Derby. Players have tested its buoyancy by throwing it into pools and lakes—it does not float. [Laughter] The cup—this may be hard for you to believe—but it has been to a lot of bars. [Laughter] In case you're wondering, it holds 14 cans of beer. [Laughter]

Hurricane players took the cup on many adventures. It went to Russia, Ukraine, Sweden, the Czech Republic, of course Canada and the United States.

Goalie Cam Ward took the cup home to Canada, and he ate some corn pops out of it. [*Laughter*] And then he took it to visit his grandmother and the other residents at the seniors home where she lives. He used the cup to bring some joy in people's lives.

Other players did the same thing. Several players took the cup to children's hospitals in their hometowns. A captain of the team brought the cup to a charity golf tournament, where he helped raise \$112,000 for the fight against cystic fibrosis. Defenseman Glen Wesley took the cup to the Wounded Warriors Barracks at Camp Lejeune. Here's what he says: "What better way to thank the troops who fight for our country and defend our freedoms." And I appreciate you doing that, Glen.

A lot of people inspired the Carolina Hurricanes on their way to victory, but none more than a young girl named Julia Rowe. Julia lives just down the street from the coach; they're buddies. As the playoffs approached, she learned that she had suffered a relapse of childhood leukemia and would have to undergo intensive chemotherapy and a bone marrow transplant. Inspired by Julia's fight, these tough guys launched a campaign to raise money and awareness for the fight against leukemia.

Julia followed every moment of the Stanley Cup finals from her bed in Duke University. She got to join the team on the victory parade. The coach reports that today she's back home and doing well. She's incredibly proud of her friends who won the Stanley Cup.

What I'm telling you is, this group of men, they're a class act. They're obviously great athletes—all you got to do is look at their noses to know that they're willing to—[*laughter*]. Appreciate you putting your false teeth in. [*Laughter*] But more important to me is the fact that they got good hearts, and they bring class to their profession. They set an example for young folks who watch them perform on the ice.

One of the interesting things about this team is, they have a—they've got a sign in their locker room that says: It's not about me; it's about the guy in front of me. And one reason they're here is because they understand that when you serve something

greater than yourself—the team or your community—you become a true champ.

And so on behalf of the White House people, we welcome you. Congratulations to true champs. God bless.

NOTE: The President spoke at 2:13 p.m. in the East Room at the White House. In his remarks, he referred to Mike Commodore, defenseman, Jason Karmanos, vice president and assistant general manager, and Peter Laviolette, head coach, Carolina Hurricanes; and Gary B. Bettman, commissioner, Bill Daly, deputy commissioner, and Bernadette Mansur, senior vice president of communications, National Hockey League.

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## Digest of Other White House Announcements

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The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

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### January 27

In the morning, the President had an intelligence briefing.

In the evening, at the Capital Hilton Hotel, the President and Mrs. Bush attended the Alfalfa Club Dinner.

### January 29

In the morning, the President had an intelligence briefing. Later, in the Roosevelt Room, he participated in an interview with Juan Williams of National Public Radio.

### January 30

In the morning, the President had an intelligence briefing. Later, he traveled to Peoria, IL.

Later in the morning, the President participated in an interview with Betsy Stark of ABC News. Later, he traveled to East Peoria, IL, where he toured Caterpillar, Inc. He then participated in another interview with Ms. Stark.

In the afternoon, the President returned to Peoria, IL, where, prior to his departure, he met with members of the Illinois National



Guard and their families. He then returned to Washington, DC.

The President announced that he has named Jean Staton Mamo as Deputy Assistant to the President and Director of Media Affairs.

The President announced that he has named Joel Bagnal as Deputy Assistant to the President for Homeland Security.

The President announced that he has named Martin E. McGuinness as Special Assistant to the President for Legislative Affairs.

The President announced that he has named Michael Y. Scudder, Jr., as Associate Counsel to the President.

The President announced that he has named Amy Swartz Zantzing as Special Assistant to the President and White House Social Secretary.

### ***January 31***

In the morning, the President had an intelligence briefing. Later, he traveled to New York City, where, upon arrival, he met with USA Freedom Corps volunteer Adam Houhoulis. He then went to Federal Hall where he participated in an interview with Neil Cavuto of FOX News. Later, he met with Eva Borja, Ceasar Borja, Jr., Evan Borja, and Nhia Borja, the family of Cesar Borja, a 20-year veteran of the New York Police Department, who died of lung disease on January 23. He then participated in an interview with the Wall Street Journal.

In the afternoon, the President went to the New York Stock Exchange where he met with traders on the floor. He then returned to Washington, DC.

### ***February 1***

In the morning, the President had an intelligence briefing.

Later in the morning, in the Oval Office, the President and Mrs. Bush participated in a signing ceremony for a Presidential proclamation in honor of American Heart Month.

The White House announced that the President will welcome President Martin Torrijos Espino of Panama to the White House on February 16.

The President declared a major disaster in Oklahoma and ordered Federal aid to sup-

plement State and local recovery efforts in the area struck by a severe winter storm on December 28–30.

The President declared a major disaster in Oklahoma and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe winter storms on January 12–26.

### ***February 2***

In the morning, the President had an intelligence briefing. Later, he met with Minister of Foreign Affairs Sergey Viktorovich Lavrov of Russia.

In the afternoon, the President met with Republican Members of the Senate. He then hosted a reception for the Members.

The President announced his intention to nominate John C. Rood to be Under Secretary for Arms Control and International Security at the Department of State.

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## **Nominations Submitted to the Senate**

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The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

### ***Submitted January 29***

James R. Clapper, Jr., of Virginia, to be Under Secretary of Defense for Intelligence, vice Stephen A. Cambone.

William Herbert Heyman, of New York, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 2008, vice Thomas Waters Grant, term expired.

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## **Checklist of White House Press Releases**

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The following list contains releases of the Office of the Press Secretary that are neither printed as

items nor covered by entries in the Digest of Other White House Announcements.

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***Released January 29***

Transcript of a press briefing by Press Secretary Tony Snow

Statement by the Press Secretary on the terrorist bombing in Eilat, Israel

***Released January 30***

Transcript of a press gaggle by Deputy Press Secretary Tony Fratto and Director of the National Economic Council Allan B. Hubbard

***Released January 31***

Transcript of a press gaggle by Press Secretary Tony Snow and Chairman of the Council of Economic Advisers Edward P. Lazear

Fact sheet: The State of the Economy

***Released February 1***

Transcript of a press briefing by Press Secretary Tony Snow

Statement by the Press Secretary: Visit by President Martin Torrijos Espino of the Republic of Panama

Statements by the Press Secretary on disaster assistance to Oklahoma

Fact sheet: Encouraging Child Fitness

***Released February 2***

Transcript of a press briefing by National Security Adviser Stephen J. Hadley on the National Intelligence Estimate

Statement by the Press Secretary announcing that the President signed H.R. 475

Fact sheet: Job Creation Continues—More Than 7.4 Million Jobs Created Since August 2003

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**Acts Approved  
by the President**

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***Approved February 2***

H.R. 475 / Public Law 110–2  
House Page Board Revision Act of 2007